

**SOUTH BAY COMMUNITY ASSOCIATION
BOARD OF DIRECTORS MEETING**

January 11, 2019

9:30 am

APPROVED

1. Call to Order

President Skinner called meeting to order at 9:32 am.

2. Determination of Quorum

Director Bay Club General Manager Mark Torres established quorum; all Directors present except Sarah Walkowski and Ray Sheldon (absent). Director Jurca arrived at approx.9:35am.

3. Approval of Agenda

Motion for approval of Agenda by Dir.Derrenberger, 2nd by Dir. Spagle: Motion carried 4/0.

4. Approval of Meeting Minutes – December 14, Board Meeting, December 20 Special Board meeting *Motion for approval by Dir. Derrenberger, 2nd by Dir. Shadrick: Motion carried 5/0.*

5. President's Remarks

President Skinner thanked the SBCA volunteers that helped to remove all the holiday decorations from the Club and commented on the Happy Hour & Jazz Night (Member Social).

6. Manager's Report

GM Mark Torres commented on the following: thanked the Club decorations committee; thanked staff as well for efforts during the Holiday season, commented on issues with (emailing) quarterly invoices, status of the PUD incentive payment, new equipment in the Fitness Area and Woodshop, and Music & Movie licensing for the Bay Club. A copy of this report is available to Members by request.

7. Treasurer's Report

Treasurer Spagle presented the Treasurer's report as of 12/31. A copy of the report can be obtained upon request.

8. Board Communication

- a. RE: Letter from a group of members regarding the zoning of the Gazebo property that was received by the Board; Member's that wanted to comment were asked to hold comment until Member Comment period.*
- b. Notes of thanks received from various Bay Club staff members regarding Holiday Bonuses.*

9. Committee Reports, Assignments, and Confirmations

a. ARC

Dir. Derrenberger (Chair) reported that ARC application activity remains limited at this time of year. Derrenberger announced the resignation of Jim Nickless from the ARC Committee.

b. Activities and Amenities

President Skinner gave the AAC report and commented on the following: the January 4th Pancake Breakfast fundraiser for Backpacks for Kids was a great success, announced the next breakfast fundraiser would benefit the Community Wellness Project, announced resignation of AAC Chair Barb Burke, and then nominated Barb Skinner as new Chair of the AAC to serve out remaining term (until July 2019). Motion for approval by Dir.Shadrick, 2nd by Dir. Derrenberger: Motion carried 5/0.

c. Facilities

Chair John Sweet was absent. Director Spagle gave the Facilities report and reported that the Reserve Study was still ongoing and continued to review repair & modifications options for the storage shed. Spagle reported on a presentation to the Committee by one of the software vendors [[EZFacility](#)] on a proposed new Club Management Software.

d. Finance

Dir. Spagle (Chair) reported on items that were covered at the last Finance meeting held on Tuesday 1/8/19. Income is exceeding budget (by approx.2%) largely due to the increase in rental revenue and Expenses are under budget (by approx. 4.5%). Motion was made by Dir. Spagle to approve a \$500 consulting fee for Merrick Lentz to conduct a feasibility study for a proposed Bay Club Shed repair/modification plan; 2nd by Dir. Jurca: Motion carried 5/0. Motion was made by Dir. Spagle to approve dispersal of the budgeted annual allocation of \$1000 to the Port Ludlow Trails Committee; 2nd by Dir. Jurca: Motion carried 4/1.

e. HR

President Skinner reported there was no HR report.

f. Communications

Dir. Derrenberger (Chair) reported on items that were covered at the last Communications meeting held on Tuesday 12/18/18. The Committee focused on review/updates & modifications to the SBCA website and discussed ideas for managing monthly content published in the Port Ludlow Voice.

President Skinner requested motion to accept GM, Treasurer, and all Committee reports. Motion for approval by Dir. Spagle, 2nd by Dir. Shadrick: Motion carried 5/0.

10. Old Business

a. Compliance Policy

- i. *There was a summary review of the initial SBCA community meeting to discuss the draft compliance policy. A follow up community meeting was scheduled on 1/22/19 at 2:00 pm.*

b. Ratify increased money for saw in wood shop.

- i. *Motion was made by Dir. Jurca to increase the allocation for purchase of the new Woodshop saw by an additional amount not to exceed \$200 in order to cover sales tax expense, 2nd by Dir. Shadrick: Motion carried 5/0.*

11. New Business

a. Movie & Music licensing

- i. *Movie licensing for "Free Movie Night" appears to be cost prohibitive; annual licensing expense through MPLC is nearly \$3K. There are limited alternative licensing options available; the Bay Club GM is continuing to research.*
- ii. *Music licensing for the Bay Club has been obtained through ASCAP; the Bay Club GM is continuing to research costs/requirements for additional licensing through BMI.*

12. PLVC Report

President Skinner reported on discussion and reports at the monthly PLVC meeting. Items of discussion reported on were: the new Jefferson County commissioner for District 3 - Greg Brotherton, the PLA (Developer) report, the Trails Committee Report, and the LMC report.

13. Member comments

The Member comment period began at approximately 10:15am. Nearly all comments addressed to the Board were in regard to proposal for (re)zoning of the Gazebo property. Extensive discussion on this subject took place for approximately 30 minutes. It was decided that Dave Jurca and Dan Meade would put together a balanced presentation to be used at a Community Meeting, to be scheduled.

Additional comment; an announcement for need of volunteers and contestants for the February Chili Cook Off event scheduled on February 8th (Member Social).

14. Adjourn

At approximately 10:47 am, Motion to adjourn was made by Dir. Jurca, 2nd by Dir. Spagle: Motion carried 5/0.

Next SBCA Board Meeting: Friday, February 8, 2019

Next SBCA Community Meeting: Tuesday, January 22, 2018

Next SBCA Board workshop date: TBD

WE ARE WORKING WITH THE COUNTY AND WOULD LIKE THE BOARDS SUPPORT. DAN MEADE

To: Jefferson County Commissioners

From: Teresa Forrest

Patricia Lea

Daniel Meade

Dianne Ridgley

Date: November 7, 2018

Subject:

Restoration of Bay Club to its Intended Recreational Zoning Designation.

The Problem:

Through a mapping error in the November 4, 1998 Jefferson Country Zoning Map, the South Bay Community Association (SBCA) was incorrectly zoned Multi-family (MF). Due to a series of mistakes and the assumption by property owners that the County had corrected this mistake, the miss-classification went unnoticed until 2016 when this problem came to light during a valuation analysis for a loan.

Why the Mis-Classification Problem is Important:

The Bay Club and the 11-plus acres of land it occupies are an integral part of the SBCA. From inception, the intent of the developer, Pope Resources (Pope), was that the Bay Club land be zoned Resort Complex/Community Facilitates/Recreational (RC) and not commercially developed. As Pope sold homes and building lots, buyers bought with the understanding that the Bay Club land would retain its recreational character and not be commercially developed.

As long as the SBCA property retains its MF zoning, it will attract developers and remain a problem with which we must deal. This festering problem should be dealt with now.

If this land is clear cut and commercially developed, it would destroy the village-in-the-woods environment we purchased and reduce the value of surrounding homes and those that overlook the property.

Similar to Successful Efforts to Stop Clear Cutting in the South Bay:

In the not too distant past, Jefferson County, the SBCA Board and the Port Ludlow Village Council vigorously supported successful community efforts to stop clear cutting in the South Bay. This effort insured that the environment promised by the Developer to people who bought into this community was upheld.

Errors get made, we understand that. But, they also get corrected. If the SBCA property remains incorrectly zoned for high density development, there is a chance that some or all of this land could be clear cut and developed. The negative effect would be at least as great as what would have happened

had our organs of local government not stepped in and stopped clear cutting of our village's peripheral open areas.

What We are Asking of the Commissioners:

We ask that the commissioners approve restoration of the SBCA property to RC status.

Please read the enclosed Power Point Presentation. It represents several hundred hours of detailed work and supports our contention that the MF zoning is an error that needs to be corrected.

Patty Charnas at DCD sat through all of a two hour presentation and question and answer session on this issue at the Bay Club and is very well informed and up to date. We appreciate Patty's efforts and recognize that she has much on her plate. However, should the Commissioners decide that this correction of a past error is something that they support, conveying that assessment to her would help to unite this effort and would be quite helpful.

Lastly, because it appears that this is a County error, we would appreciate the County initiating the correction process and waving all fees.

Concluding Comments:

As far as we can tell, restoring the RC zoning is supported by at least 90% of the SBCA members. In addition to the many members of our community that put in their time and expertise working on what we all view as an important endeavor, this analysis and effort is supported by at least four former SBCA Presidents.

The counter argument centers on money. Specifically, the SBCA property has a higher commercial value zoned MF and future loans could presumably be at a lower rate due to the land's development potential.

Our counter to the counter argument has three points. First, the property was never legally zoned MF and should revert back to the original intended RC classification. Second, to receive cash for value this property would have to be developed. Development would be detrimental to the value of surrounding homes and those that overlook the parcel. Finally, even if there is a loan discount obtainable from a MF designation (which we question for several reasons) we are unwilling to risk development for what could be a future loan discount that may not materialize.

As was the case with the clear cutting, we would appreciate local government entities supporting the quality of life promises made by the developers of our "Village in the Woods." Our quality of life supersedes money concerns.

We are working to further explain our analysis and thinking to the community and the current SBCA board.

Attachment:

We believe our documented research is compelling.

SBCA Board Response to Proposal to Ask County to Rezone Bay Club/Gazebo Property

A number of well-intentioned South Bay residents have asked the SBCA Board to support their request to Jefferson County to rezone the parcel where the Bay Club and Gazebo are located. The property is owned by SBCA and has been zoned MPR-MF (master planned resort, multifamily) under the County's Comprehensive Plan ever since the Port Ludlow Master Planned Resort was formed in 1999. Everyone who bought a home or lot within the MPR within the last 20 years was on legal notice of the MPR-MF zoning for the Bay Club/Gazebo property.

The persons seeking a rezone contend that the developer originally intended the property to be zoned MPR-RC/CF (master planned resort, resort complex/community facilities) and that the MF zoning was a "mistake" that should now be "corrected." The SBCA Board has carefully considered the arguments presented by those seeking a rezone and has concluded that it will not support the rezone request. Simply stated, the Board's reasons are as follows:

- 1. There is no need for a rezone. The present zoning has been in place for the past 20 years without a problem. There are no plans to remove any trees or to change the way the property is currently being used.*
- 2. Rezoning the property from MF to RC/CF would substantially reduce the value of the property. The Board would be violating its duties owed to SBCA and its members if it needlessly supported an action that would substantially reduce the monetary value of SBCA's principal physical asset.*
- 3. Under SBCA's articles of incorporation, any sale of the property would require not only approval by at least 2/3 of all SBCA members but notarized acknowledgments (sufficient for recording) signed by them. Even if the Board wanted to sell the property (which it does not), it would be nearly impossible to obtain such approvals and notarized acknowledgments from more than 2/3 of all SBCA members.*
- 4. The persons seeking a rezone are trying to solve a problem that does not exist. If they have any legitimate concerns about how property owned by SBCA is being used or may be used in the future, the Board would be pleased to work with them to try to find satisfactory solutions to any real problems.*